University of Leicester

IT Services
Leicester Learning Institute Partnership

SAP User Guide

Create Purchase Orders

Document Purpose

This guide explains how to create a Purchase Order on SAP.

This guide is not for staff in Chemistry or Estates who use an active store, which is an inventory that is linked directly to the purchase order system. If you are using an active store, contact ithelp@le.ac.uk.

Versions

Version: R01

Version	Author	Date
R01	IT Services & LLI	7 Sept 2012
R02	LLI	20 December 2012

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Contact

If, after reading this document, you still have questions regarding the use of SAP, contact the IT Service Desk on 0116 252 **2253** or email ithelp@le.ac.uk

1. Prerequisite

- Before you create your first purchase order, you will need to check that your default settings in SAP are correct. Please see the document entitled **Personal Setup for Purchase Orders** for instructions.
- It is also essential that you have read and understood the **University Financial Regulations** particularly section 4 on Purchasing Policy. These can be found at http://www2.le.ac.uk/offices/finance/staff/regulations

2. What is a Purchase Order

A purchase order is a legal document used to record an individual purchase (negotiated terms, conditions and pricing) with a vendor or to arrange for a delivery based on prior agreement. It also provides the vendor with a reference document to link to shipping (goods receipt) and invoicing (invoice verification) processes.

The purchase order is a commitment to a vendor for a given material, in a specified quantity at a predetermined price and delivery date. The purchase order can be printed out (see the SAP user guide Printing Purchase Orders) and posted or faxed to the vendor.

3. How to create a Purchase Order

Use the menu path:

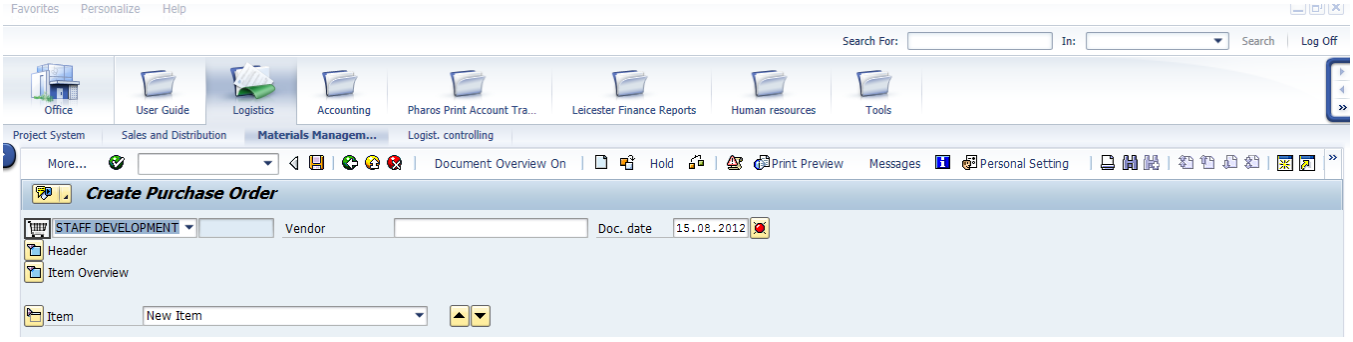
Logistics > **Materials Management** > **Purchasing** > **Purchase order** > **Create** > **Vendor/Supplying Plant Known** [Transaction code **ME21N]**

3.1. Layout of the screen

The Purchase Order input screen is laid out in 4 sections. The top section holds the basic information and is always visible. It shows a shopping trolley icon on the left; then the fields for ordering department, vendor and document date.

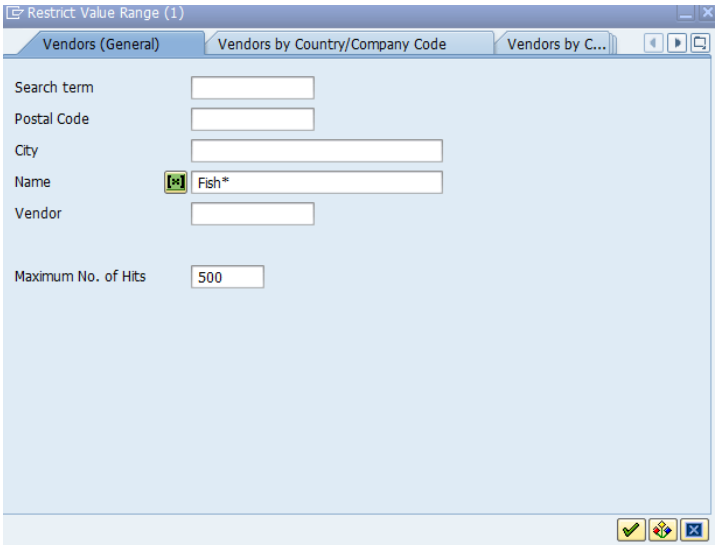
The next sections are the **Header**; the **Item Overview** and the **Item Detail**. You can expand anyone of these by Expand Section button:

The purchase order input screen looks like this and notice the **Header** and **Item Overview** sections are collapsed:



3.2. Select vendor

1. On the **Create Purchase Order** screen, in the basic fields next to the shopping trolley, add **Vendor** number from the drop down menu.
2. This is the standard button for a drop down menu and only appears when cursor is placed in the field

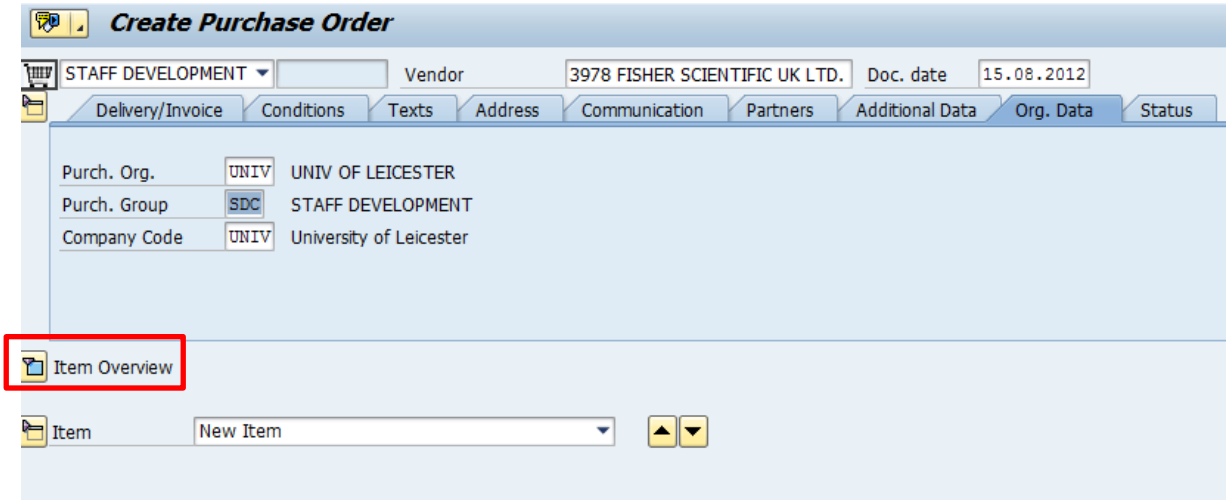


3. In the **Name** field, type in the name (or part of the name) followed by an asterix (*) . The asterix is a wild card character and can be used anywhere in the name (e.g. if you are uncertain how to spell it).
4. A list of potential matched suppliers is displayed and you can select the correct vendor.
5. Where a vendor has both a Head Office and a Purchase Ordering Address (code 300xxxx), select the Head Office Address
6. The **Doc. Date** field will default to the current date
7. Click the **Enter** button to proceed.

3.3. Org. data tab

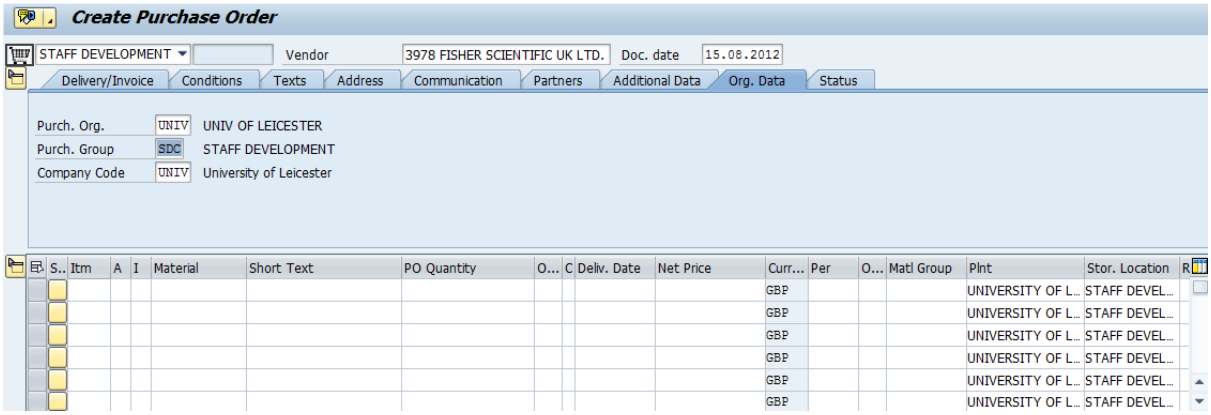
Open the **Header** section by selecting the **Expand Section** button

The data in the **Org. data** Header tab is specified from your Personal Settings. Check this is correct.



3.4. Item Overview information

Enter the detail of the items you want to order in the **Item Overview** section. If the Item Overview section is not visible press the **Expand Section** button located to the left of Item Overview. The Item Overview section is now expanded as below:



TIP: Not all fields must be completed. When entering the data press **Enter** after each field is entered. This will give you a message if you have missed a field where data is required.

The following fields are mandatory:

3.4.1. Field A

This is for the type of account. Use the drop-down list to choose either

- **P** Project (Research Grant)
- **F** Order (SIO)
- **K** Cost Centre
- **Y** Multi-Object Division
  (This is used if the order is to be split across more than one of the accounts above)

3.4.2. Short Text

For most departments material master records do not exist. Skip the field called **Material** and go straight to **Short Text**. Enter a description of what you want to purchase. If you are ordering a particular pack size, put this at the front of the description.

3.4.3. PO Quantity

Enter how many of the items you want to purchase

3.4.4. OUn (Looks like O.. on screen)

This is the ordering unit. Use the drop-down menu to select the unit of measurement in which the item is sold.

3.4.5. C (Delivery date category)

This can be left as the default D (Day format).

3.4.6. Deliv. date

This will default to today's date when **Enter** is pressed. Type the expected delivery date if this is known in the format **dd/mm/yyyy**.

3.4.7. Net price

This is the vendor's current price (without VAT) for a single item. If you only have the gross price (i.e. the price that includes VAT), then you can calculate the net price as follows:

Net = Gross / (1+ VAT rate as a decimal).

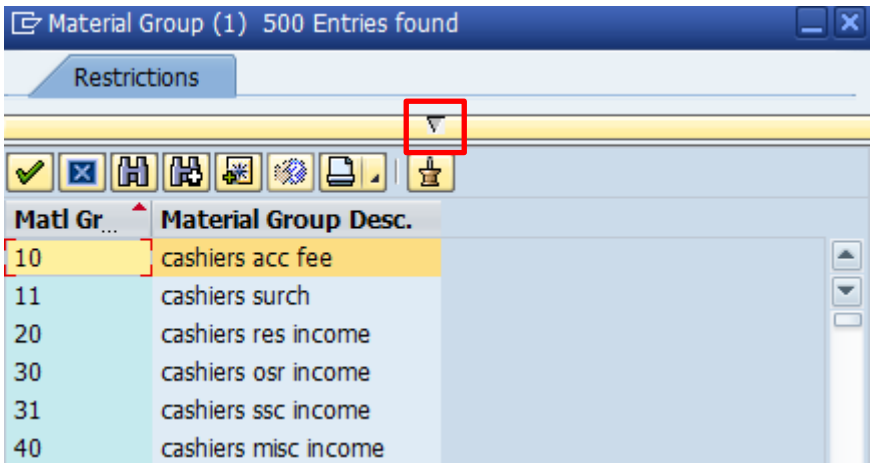
Example: To find the net price of a gross price item at £30 when the VAT rate is 20%, the calculation will be **30 / (1+0.20) = £25**

3.4.8. Currency

This will default to GBP. You cannot presently create a purchase order in any other currency other than GBP.

3.4.9. Matl Group

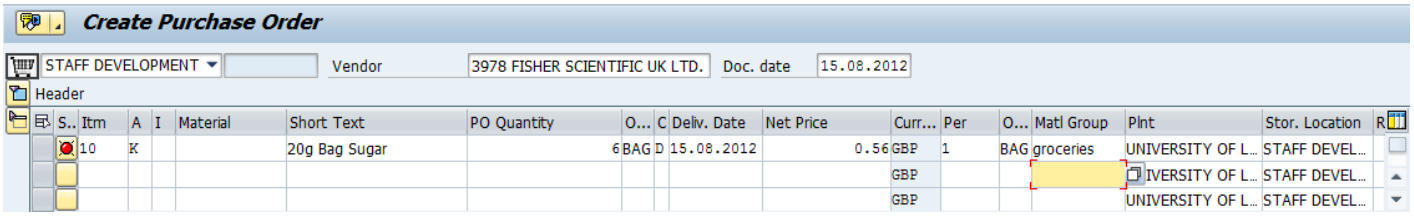
Use the drop-down menu to find the correct group: Only a limited number (usually 500) of these will show. If you need more, select the down arrow button. This opens up the selection criteria. By deleting the maximum number of hits, all entries will be displayed.



3.4.10. Plnt

Leave the default as **UNIVERSITY OF LEICESTER**

The following example shown below is for 6 bags (each weighing 20g) of sugar, that cost 56p each. The material group CE has been chosen to represent Groceries.

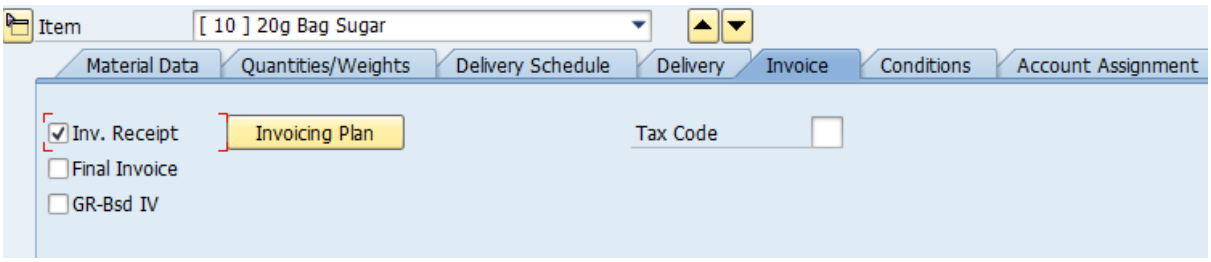


Once the required data is entered click on the **Enter** button at the top left of the screen to proceed with a basic order. Default entries will be populated into the fields headed **PER** and **O...**. The column marked **S** at the left has **Red** status. This is because additional information has yet to be entered in **Item details** section below.

3.5. Enter information in the Item Details section

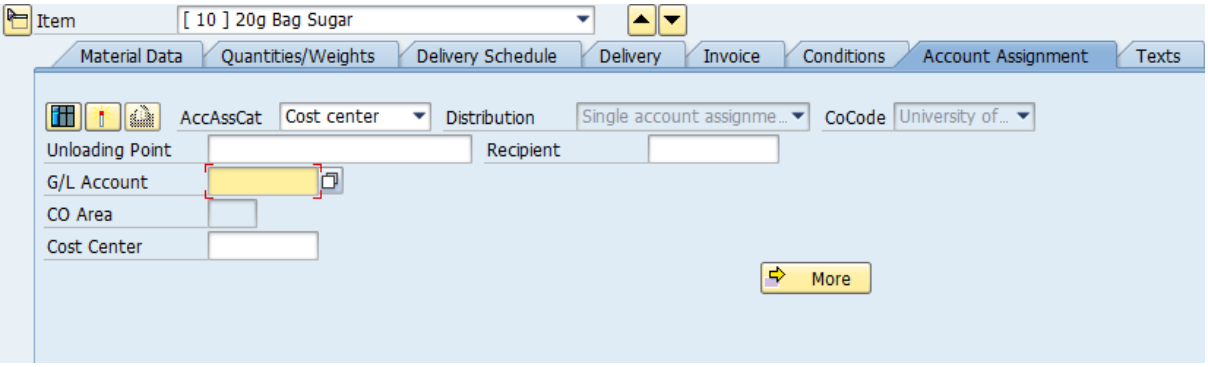
3.5.1. Invoice tab

On the **Invoice** tab, enter a valid tax code in the **Tax Code** field.



The valid codes change depending on the current rate of VAT. See the Finance website http://www2.le.ac.uk/offices/finance/staff/tax/how-do-i-code-purchases for the most current details. Press the **Enter** button to proceed.

3.5.2. Account assignment tab



On the **Account assignment** tab the following fields are mandatory.

3.5.2.1. G/L Account

Enter the appropriate General Ledger (G/L) account. The Finance website provides more details on General Ledger codes (SAP Cost Element Codes) at http://www2.le.ac.uk/offices/finance/staff/financial-systems

3.5.2.2. Cost Centre

Enter the appropriate cost centre for the item to be charged to.

If your department has a separate code for each person ordering goods, then the **Individual** code should also be completed. To reach the **Individual** field, click on the **More** button. The following window is displayed. Use the drop down list for the **Individual** field to find the name of the person for whom the item is being purchased.

Click on the **Enter** button to proceed.

4. Optional Entries

This section gives details about additional information that may optionally be added to the Purchase Order.

Item details

- Remove the requirement for goods receipt
- Extended text for an item
- Vendor's catalogue number
- Delivery schedule
- Net discount for an item
- Alternative delivery address
- Split charging

Header details

- PO header text messages
- Display PO vendor address details

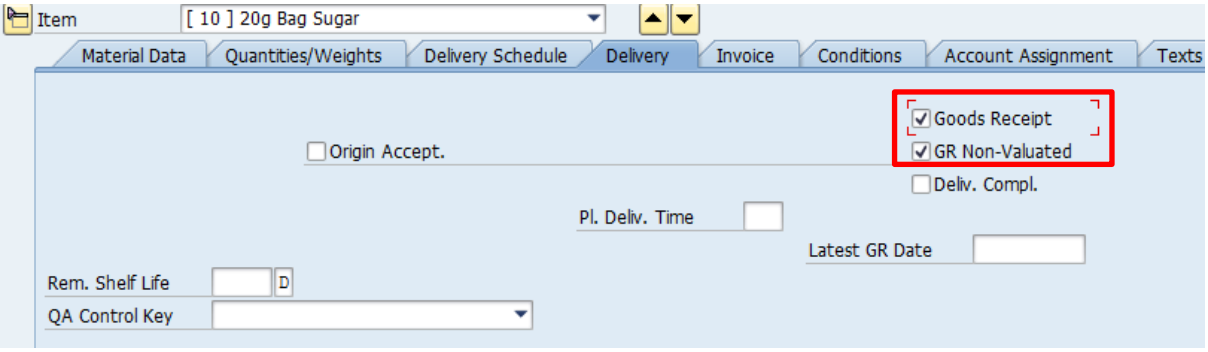
After setting any of the following options, click on the **Enter** button to save the setting and to proceed.

4.1. Remove the requirement for goods receipt

This is useful to remove if you do not have a requirement to Goods Receipt the items i.e. the Purchase Order is for services

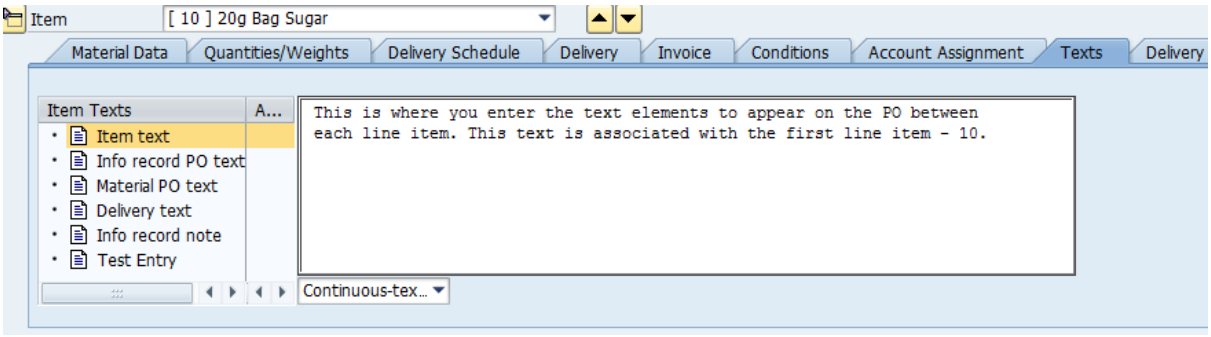
In the **Item details** section on the **Delivery** tab, remove the requirement for goods receipt by removing the ticks in the **Goods receipt** and **GR non-valuated** fields.

Typically, this should only be used for the ordering of services



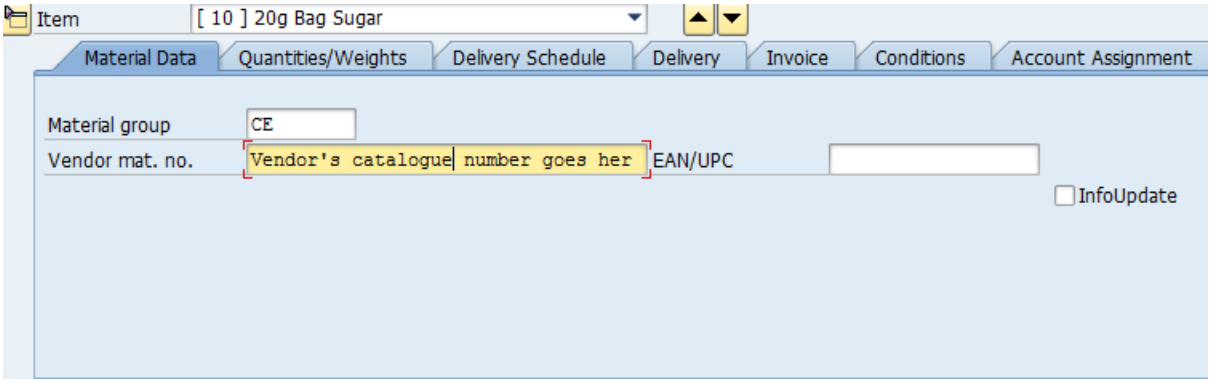
4.2. Extend text for an item

From the **Item details** section select the **Texts tab**. On this tab you can enter extended text messages to appear against the line item. These texts will appear on the PO between each line item. Select **Item texts** and type in the required text message in the blank area.



4.3. Vendor's catalogue number

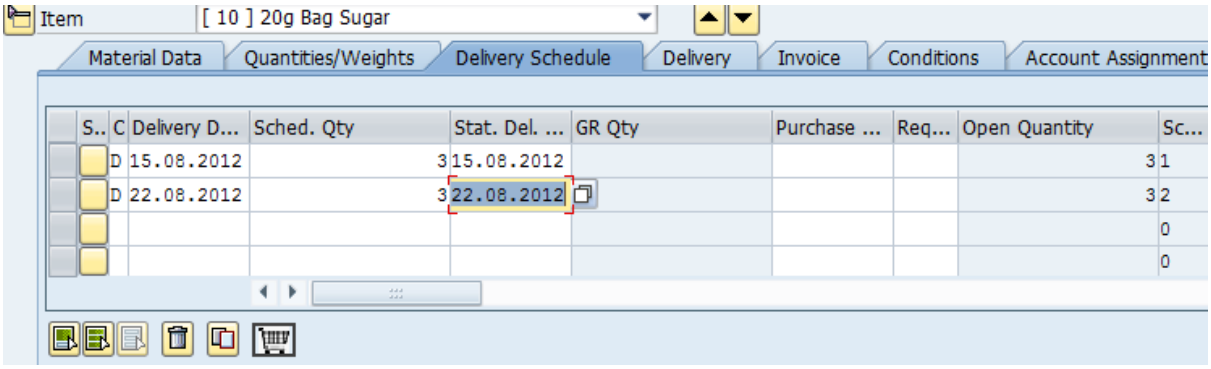
In the **Item details** section on the **Material data tab**, use the **Vendor mat. no.** field to enter the vendor's catalogue number. This can save time entering the full details of the item.



4.4. Delivery schedule

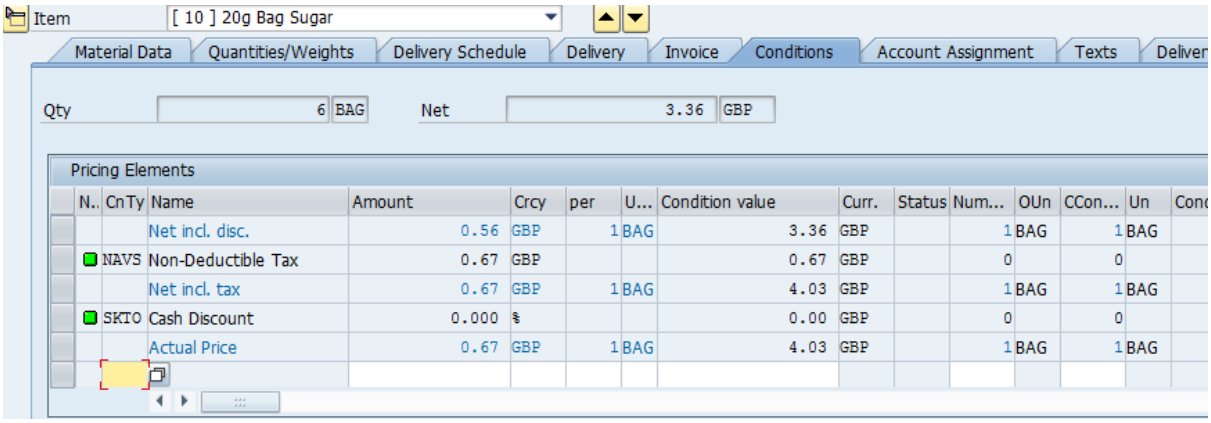
If you know the delivery is going to be split, it is possible to record this.

In the **Item details** section on the **Delivery Schedule** tab, enter in the required delivery quantities per row in the Delivery Schedule table. The example shows a split delivery one week apart

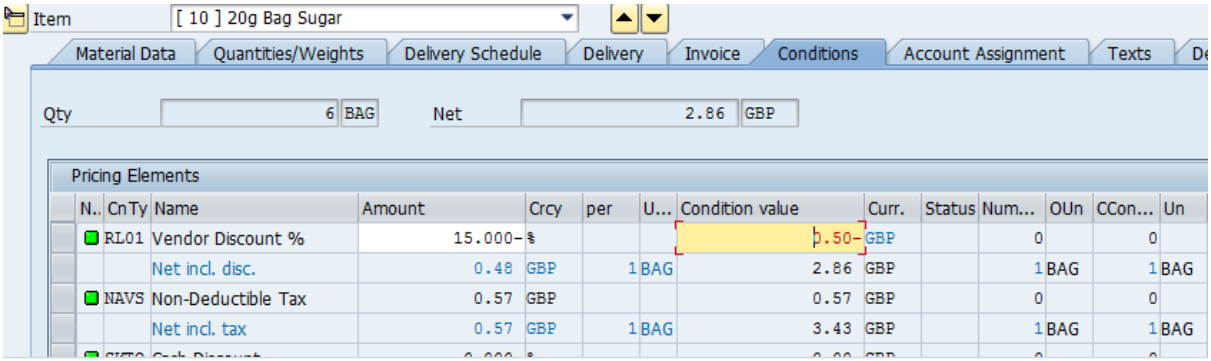


4.5. Enter the net discount for an item

There are a number of different discount possibilities available. From the **Item details** section select the **Conditions tab**. Three conditions PBXX, NAVS, SKTO are automatically presented - do not change these.

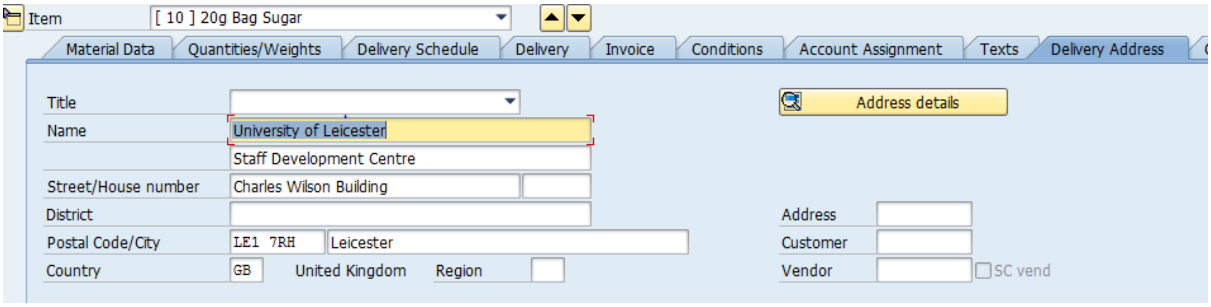


Add your new condition from the drop down box. (On the screen it is shown in yellow) The example shown below is the result of a selecting the Vendor discount % condition type; and adding a 15% discount.



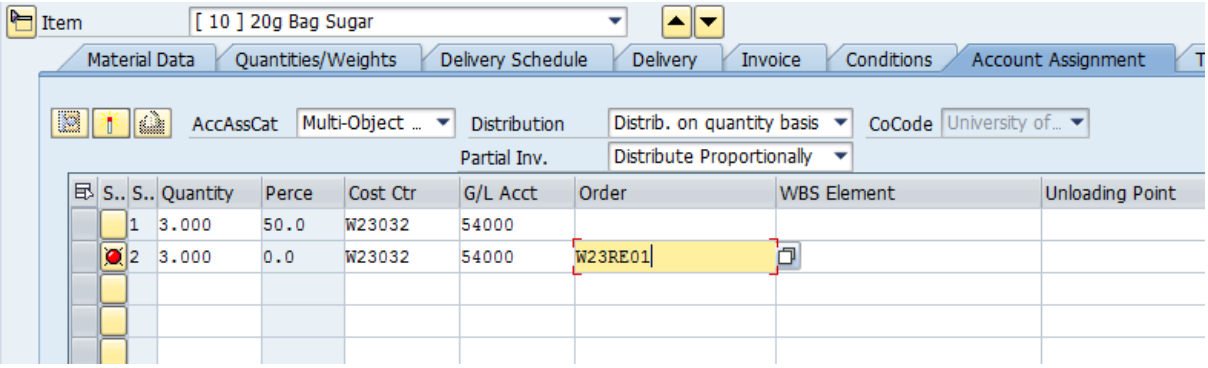
4.6. Alternative delivery address

From the **Item details** section select the **Delivery Address tab**. The standard delivery address is used from your Personal Settings. If you need to modify the defaulted address, you can do so on this tab.



4.7. Enter the account assignment for split charging

If you entered **Y** in field **A** of the **Item Overview screen** (i.e the field where you decide whether to charge to a cost centre, SIO, WBS or split the charge); then a blank version of the screen below will be presented when you save the Purchase Order.



Enter the data as follows:

4.7.1. Distribution

Choose between distribution on a quantity or percentage basis. Depending on the option chosen, the fields **Quantity** or **Perce** become greyed out and unavailable.

4.7.2. Partial Inv.

The option chosen in this field determines what will happen if the entire quantity is not delivered. The options are **Distribute Proportionally** and **Distribute in sequence.** Use the **F1** (Help) key to give you more information if you are uncertain which option to choose.

4.7.3. Quantity/Perce

Use to split between the quantity or percentage. In the example shown above the Distribute on Quantity Basis option has been chosen so the Quantity field has been split 3 and 3 and the percentage has been calculated automatically.

4.7.4. G/L Account

The General Ledger (G/L Account) must be entered. The Finance website provides more details on General Ledger codes (SAP Cost Element Codes) at http://www2.le.ac.uk/offices/finance/staff/financial-systems

4.7.5. Cost elements

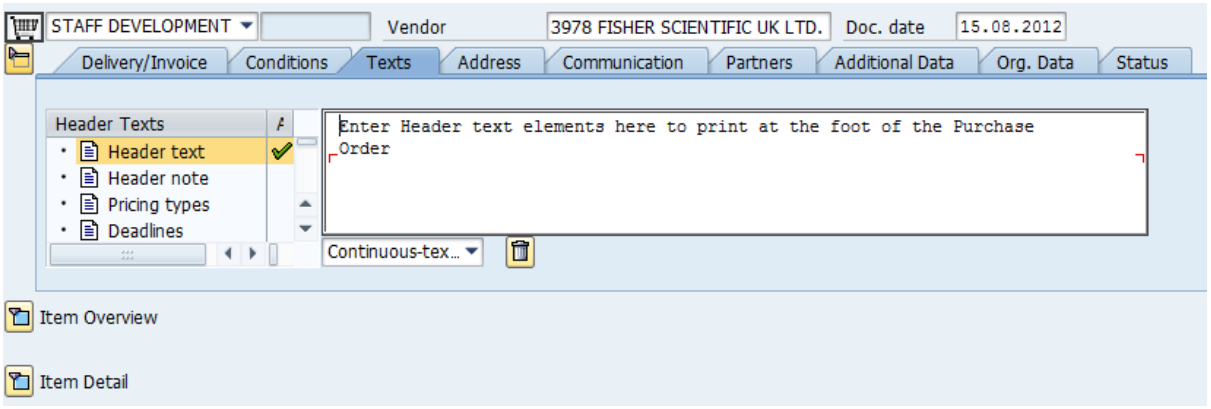
Decide between a cost centre, SIO or WBS for each line and make the entries accordingly.

From here there are a number of options (see section below); or you can add additional items to the same order.

4.8. PO header text messages

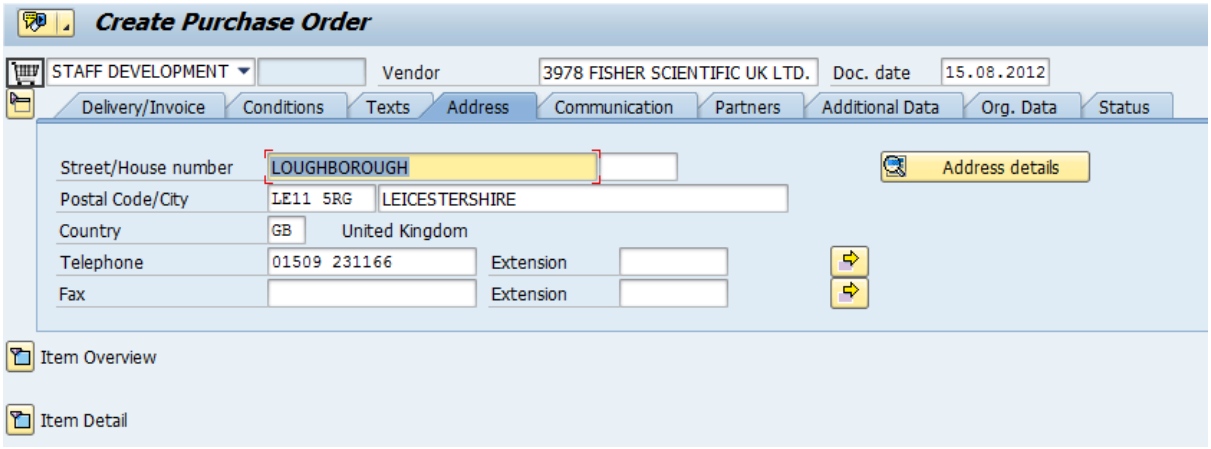
Use this tab to add a text message that will appear at the bottom of the printed version of the Purchase Order.

From the **Header** section, select the **Texts tab.** Select **Header text** and type in the required message in the blank field.

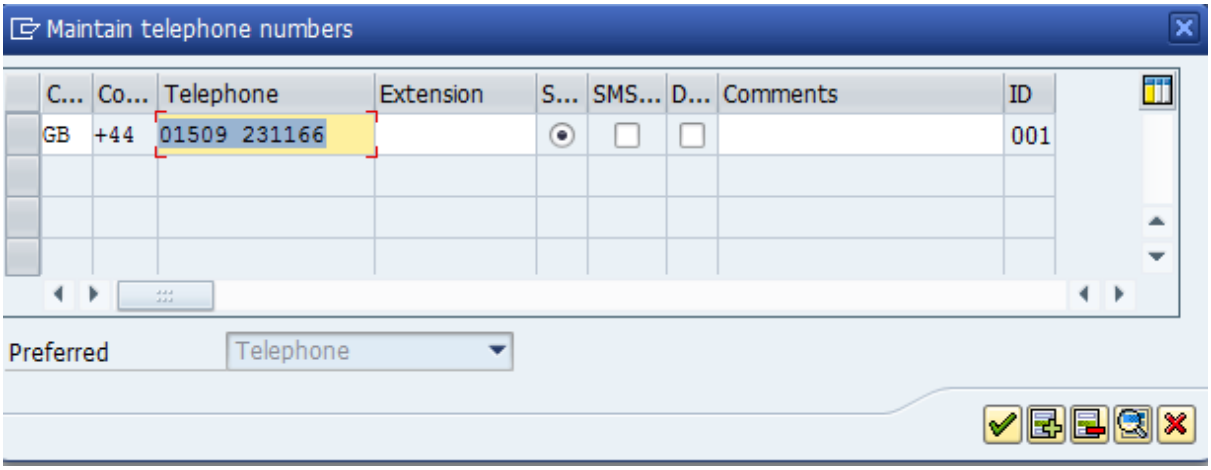


4.9. Display PO vendor address details

To view the vendor address, from the **Header** section, select the **Address tab** and the address will be displayed:



For further address details click the **Address details** button. If the button has a green bar across it as shown, then additional telephone information is available. Press the button to reveal the telephone numbers window:



5. Save your Purchase Order

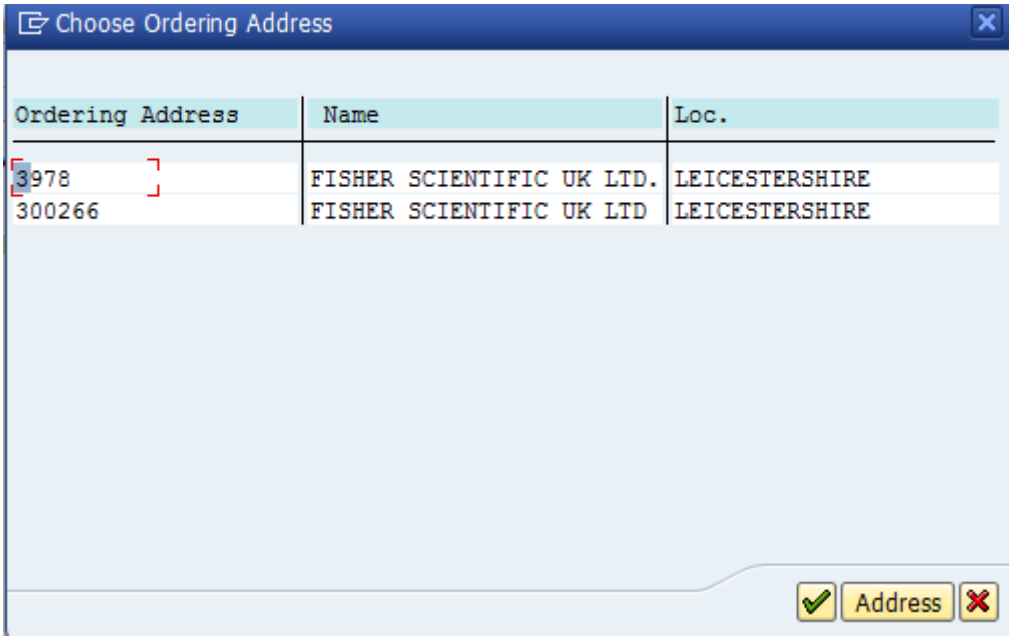
When finished, **SAVE** the Purchase Order using the SAVE button . If no further information is required, the PO number will appear in the message bar at the bottom of the screen.

STAFF DEVELOPMENT created under the number 21600000

Keep a record of the purchase order number. It is not too late to make changes - see Section 6.

5.1. Vendor has a Head Office and a Purchase Ordering Address

Where you have selected a vendor that has a Head Office and a Purchase Ordering Address (code 300….), the following **Choose Ordering Address** window will appear, when you save your completed Purchase Order.



Decide which address you wish to use. If you need to check the address details, place the cursor somewhere on the line of the address and click the **Address** button at the bottom of the window.

Click once to place the cursor somewhere on the line of the address you require to be printed on the Purchase Order and click on the **Enter** button .

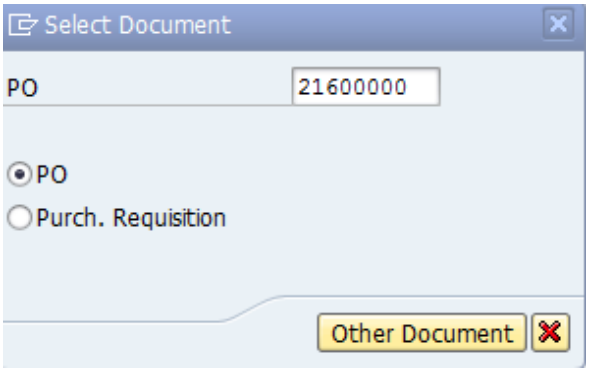
6. Change or delete previously created purchase orders

Use menu path:

Logistics > **Materials Management** > **Purchasing** > **Purchase order** > **Change** [Transaction code **ME22N**]

8. Click on the **More…** button **(this has now been replaced with the Menu… button)**

9. Then choose **Purchase Order** > **Other Purchase Order** from the menu, or click on the Other Purchase Order button .
10. Enter the number of the purchase order you want to change in the **PO** box (SAP will remember the last Purchase Order that you were working on). Click on the **Other Document** button. This will bring up the purchase order details. Again click on the More… button, and choose Purchase Order>Display/Change to enable editing. The fields that may be changed will have a white background. Amend the incorrect information or add further items, then save the purchase order.



11. You cannot change the vendor details or the account assignments. If you need to change the vendor details or account assignment, then you will have to delete the items in the purchase order and create a new purchase order.

6.1 Delete an item from a Purchase Order

To delete an item from a purchase order

1. Select the line item you wish to delete by clicking on the far left square of each line
2. Click on the **Delete** (bin) button at the bottom of the **Item Overview** section of the screen
3. Click on the **Save** button

The purchase order itself cannot be deleted, only the items within it.

7. Quick reference

Logistics > **Materials Management** > **Purchasing** > **Purchase order** > **Create** > **Vendor/Supplying Plant Known** [Transaction code **ME21N]**

After setting any of the following options, click on the **Enter** button in the top left to save the setting and to proceed.

1. In the fields next to the shopping trolley check the correct department has been specified in the **Purchasing Document type** field
2. **Vendor** field - select the required vendor
3. **Header** section under **Org. Data** - check the correct **Purchasing Group** has been specified
4. **Item Overview** section - enter the **Account assignment category**, the **short text**, **PO quantity**, **Order Unit**, **Net price** and **Material Group**
5. **Item Detail** section **Account assignment** tab - enter the **G/L account** and either the **Cost Centre**, **SIO** or **WBS** code. If you wish to enter the **Individual**, click on the **More** button and select the individual
6. **Invoice** tab - enter the **Tax code**
7. Enter any further optional information for the line item
8. Enter any further line items
9. Click **Save**

You will **not** be able to save the final purchase order until **all** mandatory fields are complete